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SUBJECT: SETTLEMENT SUBURBIA: BUILDING GOES ON

Classified By: Consul General Jake Walles, per reasons 1.4 (b) and (d)

¶1. (C) SUMMARY: In suburban settlements between the green line and the separation barrier, construction continues, property values are high, and settlers dismiss recent political developments. Poloff visited four such settlements - Barkan, Elkana, Oranit, and Hashmonaim - the week of 26 November, and most settlers said they would move in exchange for fair market value of their homes, but they doubt the GOI has the will for such an operation. Some also said they worry an evacuation will radicalize other settlers. End Summary

Elkana: Construction ongoing  
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¶2. (C) Barkan, Oranit, and Elkana form the geographical base of the Ariel finger as it extends 22 km eastward into the heart of the West Bank. Settlers in this area are mostly upper middle class, and many work in Tel Aviv and its suburbs. According to Mel Borenstein, a long-time resident of Elkana, construction is underway on a 300 unit housing development approved 7 years ago by the GOI. Poloff saw an entire subdivision half completed with numerous crews at work at Oranit, just inside the separation barrier. Barkan houses 300 families and the Samaria Regional Council Headquarters and is largely an industrial area with some 120 factories employing 5,000, including 2,500 Palestinians from Nablus and surrounding villages.

¶3. (C) Borenstein told Poloff that he chose to live 7 km inside the West Bank to expose the arbitrary nature of the green line and to foster Israeli safety. "Elkana or any other West Bank settlement is no less Jewish than towns in central Israel," he said, and by forcing debate on the border now, the GOI will radicalize moderate settlers like himself. He added that forced evacuations from West Bank settlements, such as happened in Gush Katif, will not be greeted with "hugs and kisses for the soldiers" carrying out their orders, and the conditions are not right for peace.

¶4. (C) All interlocutors report that property values in settlements West of the barrier are soaring. Kfar Etzion's regional council chairman said empty plots in the area start at USD 250,000, and Hashmonaim local council chairman Moti Rosolio said a plot of land there is USD 300,000. (Note: 50 percent of Hashmonaim residents are new immigrants from the U.S. working in Tel Aviv or Jerusalem. End Note.) Rosolio said all of Hashmonaim is "privately owned," so no GOI permits are needed for construction, and permits are obtained by the Binyamin regional council to which Hashmonaim belongs.

Oranit: Surprising Politics;  
No "hugs and kisses"

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15. (C) Oranit settlement lies between the separation barrier on its eastern border and the green line on its western border. Mayor Zvika Mayafit told Poloff most residents are wealthy, secular Israeli professionals and suggested that Oranit was included inside the separation barrier to capture the tax base of its 1450 families. According to Mayafit, a Kadima member, these settlers "would gladly move back to Tel Aviv if given fair market value for their homes." He noted that Gush Katif evacuees came to Oranit after their evacuation from Gaza in 2005 but could not afford the housing.

13. (C) Zvika Mayafit, Oranit's Mayor, told Poloff that he would gladly negotiate if there were a Palestinian partner and that DefMin Barak's settlements coordinator Eitan Broshi had visited one day earlier bringing assurances that the GOI is not talking about freezing settlement activity west of the separation barrier (Note: The majority of settlement growth is currently occurring west of the separation barrier).

WALLES